

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 2005 be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the
- 2 following:
- 3 "SECTION 1. IC 6-1.1-10-16, AS AMENDED BY P.L.198-2001,
- 4 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 MARCH 1, 2002 (RETROACTIVE)]: Sec. 16. (a) All or part of a
- 6 building is exempt from property taxation if it is owned, occupied, and
- 7 used by a person for educational, literary, scientific, religious, or
- 8 charitable purposes.
- 9 (b) A building is exempt from property taxation if it is owned,
- 10 occupied, and used by a town, city, township, or county for educational,
- 11 literary, scientific, fraternal, or charitable purposes.
- 12 (c) A tract of land, including the campus and athletic grounds of
- 13 an educational institution, is exempt from property taxation if:
- 14 (1) a building ~~which that~~ is exempt under subsection (a) or (b)
- 15 is situated on it; and
- 16 (2) the tract ~~does not exceed:~~ **is owned and actively used by a**
- 17 **person primarily for educational, literary, scientific,**
- 18 **religious, or charitable purposes.**
- 19 (A) ~~one hundred fifty (150) acres in the case of:~~
- 20 (i) ~~an educational institution;~~
- 21 (ii) ~~a tract that was exempt under this subsection on~~
- 22 ~~March 1, 1987; or~~
- 23 (B) ~~two hundred (200) acres in the case of a local~~
- 24 ~~association formed for the purpose of promoting 4-H~~
- 25 ~~programs; or~~

1 ~~(C) fifteen (15) acres in all other cases.~~

2 (d) A tract of land is exempt from property taxation if:

3 (1) it is purchased for the purpose of erecting a building ~~which~~ **that** is to be owned, occupied, and used in such a manner that

4 **that** is to be owned, occupied, and used in such a manner that

5 the building will be exempt under subsection (a) or (b); **and**

6 ~~(2) the tract does not exceed:~~

7 ~~(A) one hundred fifty (150) acres in the case of:~~

8 ~~(i) an educational institution; or~~

9 ~~(ii) a tract that was exempt under this subsection on~~

10 ~~March 1, 1987;~~

11 ~~(B) two hundred (200) acres in the case of a local~~

12 ~~association formed for the purpose of promoting 4-H~~

13 ~~programs; or~~

14 ~~(C) fifteen (15) acres in all other cases; and~~

15 ~~(3) (2)~~ not more than three (3) years after the property is

16 purchased, and for each year after the three (3) year period, the

17 owner demonstrates substantial progress **and active pursuit**

18 towards the erection of the intended building and use of the tract

19 for the exempt purpose. To establish that substantial progress is

20 being made, the owner must prove the existence of factors such

21 as the following:

22 (A) Organization of and activity by a building committee or

23 other oversight group.

24 (B) Completion and filing of building plans with the

25 appropriate local government authority.

26 (C) Cash reserves dedicated to the project of a sufficient

27 amount to lead a reasonable individual to believe the actual

28 construction can and will begin within three (3) years.

29 (D) The breaking of ground and the beginning of actual

30 construction.

31 (E) Any other factor that would lead a reasonable individual

32 to believe that construction of the building is an active plan

33 and that the building is capable of being completed within

34 six (6) years considering the circumstances of the owner.

35 (e) Personal property is exempt from property taxation if it is

36 owned and used in such a manner that it would be exempt under

37 subsection (a) or (b) if it were a building.

38 (f) A hospital's property ~~which that~~ is exempt from property

39 taxation under subsection (a), (b), or (e) shall remain exempt from

40 property taxation even if the property is used in part to furnish goods

41 or services to another hospital whose property qualifies for exemption

42 under this section.

43 (g) Property owned by a shared hospital services organization

44 ~~which that~~ is exempt from federal income taxation under Section

45 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from

46 property taxation if it is owned, occupied, and used exclusively to

47 furnish goods or services to a hospital whose property is exempt from

48 property taxation under subsection (a), (b), or (e).

49 (h) This section does not exempt from property tax an office or a

50 practice of a physician or group of physicians that is owned by a

51 hospital licensed under IC 16-21-1 or other property that is not

substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

- (1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- (2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

- (1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

- (A) in a charitable manner;
- (B) by a nonprofit organization; and
- (C) to low income individuals who will:

- (i) use the land as a family residence; and
- (ii) not have an exemption for the land under this section;

~~(2) the tract does not exceed three (3) acres;~~

~~(3) (2)~~ the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

~~(4) (3)~~ not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress **and active pursuit** towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

- (A) Organization of and activity by a building committee or other oversight group.
- (B) Completion and filing of building plans with the appropriate local government authority.
- (C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.
- (D) The breaking of ground and the beginning of actual construction.
- (E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:
 - (i) completed; and
 - (ii) transferred to a low income individual who does

1 not receive an exemption under this section;
 2 within six (6) years considering the circumstances of the
 3 owner.

4 (j) An exemption under subsection (i) terminates when the
 5 property is conveyed by the nonprofit organization to another owner.
 6 When the property is conveyed to another owner, the nonprofit
 7 organization receiving the exemption must file a certified statement
 8 with the auditor of the county, notifying the auditor of the change not
 9 later than sixty (60) days after the date of the conveyance. The county
 10 auditor shall immediately forward a copy of the certified statement to
 11 the county assessor. A nonprofit organization that fails to file the
 12 statement required by this subsection is liable for the amount of
 13 property taxes due on the property conveyed if it were not for the
 14 exemption allowed under this chapter.

15 (k) If property is granted an exemption in any year under
 16 subsection (i) and the owner:

17 (1) ceases to be eligible for the exemption under subsection
 18 (i)(4);
 19 (2) fails to transfer the tangible property within six (6) years after
 20 the assessment date for which the exemption is initially granted;
 21 or

22 (3) transfers the tangible property to a person who:
 23 (A) is not a low income individual; or
 24 (B) does not use the transferred property as a residence for
 25 at least one (1) year after the property is transferred;
 26 the person receiving the exemption shall notify the county recorder and
 27 the county auditor of the county in which the property is located not
 28 later than sixty (60) days after the event described in subdivision (1),
 29 (2), or (3) occurs. The county auditor shall immediately inform the
 30 county assessor of a notification received under this subsection.

31 (l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall
 32 pay, not later than the date that the next installment of property taxes
 33 is due, an amount equal to the sum of the following:

34 (1) The total property taxes that, if it were not for the exemption
 35 under subsection (i), would have been levied on the property in
 36 each year in which an exemption was allowed.
 37 (2) Interest on the property taxes at the rate of ten percent (10%)
 38 per year.

39 (m) The liability imposed by subsection (l) is a lien upon the
 40 property receiving the exemption under subsection (i). An amount
 41 collected under subsection (l) shall be collected as an excess levy. If
 42 the amount is not paid, it shall be collected in the same manner that
 43 delinquent taxes on real property are collected.

44 (n) Property referred to in this section shall be assessed to the
 45 extent required under IC 6-1.1-11-9.

46 **(o) An exemption under this chapter terminates when the**
 47 **property is conveyed by the nonprofit organization to another**
 48 **owner. If the sale price of the property exceeds the original price**
 49 **paid for the property, the nonprofit organization is liable for the**
 50 **amount of property taxes due on the property conveyed if it were**

1 **not for the exemption allowed under this chapter. Property taxes**
 2 **collected shall not exceed the amount due for the three (3)**
 3 **consecutive years immediately prior to the date of sale.**

4 **(p) Except as provided in subsection (d), a tract of land or any**
 5 **portion of a tract of land is not exempt from taxation if it is owned**
 6 **by a person primarily for educational, literary, scientific, religious,**
 7 **or charitable purposes and is not actively used for educational,**
 8 **literary, scientific, religious, or charitable purposes.**

9 SECTION 2. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001,
 10 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 March 1, 2002 (RETROACTIVE)]: Sec. 21. (a) The following tangible
 12 property is exempt from property taxation if it is owned by, or held in
 13 trust for the use of, a church or religious society:

14 (1) A building ~~which that~~ is used for religious worship.

15 ~~(2) Buildings that are used as parsonages.~~

16 ~~(3) (2) The pews and furniture contained within a building which~~
 17 **that** is used for religious worship.

18 (4) The tract of ~~land, not exceeding fifteen (15) acres, land~~ upon
 19 which a building described in this ~~section that is used for~~
 20 **religious worship** is situated.

21 **(b) A building that is used as a parsonage is exempt from**
 22 **property taxation if it is owned by, or held in trust for the use of,**
 23 **a church or religious society.**

24 ~~(b)~~ (c) To obtain an exemption for parsonages, a church or
 25 religious society must provide the county auditor with an affidavit at
 26 the time the church or religious society applies for the exemptions. The
 27 affidavit must state that:

28 (1) all parsonages are being used to house one (1) of the church's
 29 or religious society's rabbis, priests, preachers, ministers, or
 30 pastors; and

31 (2) none of the parsonages are being used to make a profit.

32 The affidavit shall be signed under oath by the church's or religious
 33 society's head rabbi, priest, preacher, minister, or pastor. The county
 34 auditor shall immediately forward a copy of the affidavit to the county
 35 assessor.

36 ~~(c)~~ (d) Property referred to in this section shall be assessed to the
 37 extent required under IC 6-1.1-11-9.

38 SECTION 3. IC 14-33-7-4 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE March 1, 2002 (RETROACTIVE)]:
 40 Sec. 4. (a) This section applies to the following tangible
 41 property owned by or held in trust for the use of a church or
 42 religious society:

43 (1) A building that is used for religious worship.

44 (2) A building that is used as a parsonage.

45 (3) The pews and furniture contained within a building
 46 that is used for religious worship.

47 (4) The ~~land, not exceeding fifteen (15) acres, land~~ upon
 48 which a building ~~described in this section~~ **used as a**

1 **parsonage** is situated.

2 **(5) The land upon which a building used for religious**
 3 **worship is situated.**

4 (b) Property is exempt from the special benefits tax that
 5 may be imposed under:

6 (1) IC 14-33-6-13 and section 1 of this chapter; or

7 (2) IC 14-33-21-5;

8 to the extent that the special benefits tax revenue will be used
 9 for the construction or improvement of a water impoundment
 10 project, including a lake, pond, or dam.

11 (c) To obtain an exemption for a parsonage, a church or
 12 religious society must provide the county auditor with an
 13 affidavit at the time the church or religious society applies for
 14 the exemption. The affidavit must:

15 (1) state:

16 (A) that all parsonages are being used to house one

17 (1) of the church's or religious society's rabbis,
 18 priests, preachers, ministers, or pastors; and

19 (B) that none of the parsonages are being used to
 20 make a profit; and

21 (2) be signed under oath or affirmation by the church's or
 22 religious society's head rabbi, priest, preacher, minister,
 23 pastor, or designee of the official church body.

24 **SECTION 4. [EFFECTIVE UPON PASSAGE] (a) A**
 25 **church or religious institution may file a claim with the**
 26 **county auditor for a refund for the payment of property**
 27 **taxes first due and payable in 2001 if:**

28 (1) the church or religious institution challenged
 29 in an administrative action before the state board
 30 of tax commissioners (before it was abolished) the
 31 denial of exemption of land for that year by the
 32 county property tax assessment board of appeals;
 33 and

34 (2) the church or religious institution paid
 35 property taxes for that year on land not exceeding
 36 fifteen (15) acres for which exemption was denied
 37 as described in subdivision (1).

38 **The claim must be filed as set forth in IC 6-1.1-26-1, except**
 39 **that the claim must be based upon a determination of the**
 40 **exemption of the property of the church or religious**
 41 **institution as if IC 6-1.1-10-16, as amended by this act, had**
 42 **been in effect for property taxes first due and payable in**
 43 **2001.**

44 (b) Upon receiving a claim filed under this SECTION,

1 the county auditor shall determine whether the claim is
 2 correct. If the county auditor determines that the claim is
 3 correct, the auditor shall, without an appropriation being
 4 required, issue a warrant to the claimant payable from the
 5 county general fund for the amount due the claimant under
 6 this SECTION.

7 (c) The amount of the refund shall equal the amount of
 8 the claim so allowed. Interest of four percent (4%) per year
 9 is payable on the refund.

10 (d) This SECTION expires January 1, 2004.

11 SECTION 5. [EFFECTIVE UPON PASSAGE] (a) IC 6-
 12 1.1-10-16 (subject to SECTION 6 of this act), IC 6-1.1-10-
 13 21, and IC 14-33-7-4, all as amended by this act, apply only
 14 to property taxes first due and payable after December 31,
 15 2002.

16 (b) This SECTION expires January 1, 2004.

17 SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As
 18 used in this SECTION, "committee" refers to the interim
 19 study committee on the assessment of property owned by
 20 educational, religious, and other nonprofit organizations.

21 (b) There is established the interim study committee
 22 on the assessment of property owned by educational,
 23 religious, and other nonprofit organizations. The committee
 24 shall study:

25 (1) the assessment of property owned by
 26 educational, religious, and other nonprofit
 27 organizations;

28 (2) qualifications for the property tax
 29 exemptions provided to the organizations
 30 described in subdivision (1);

31 (3) guidelines for local assessing officials; and

32 (4) responsibilities of those requesting
 33 exemptions for property described in (1).

34 (c) The committee shall operate under the policies
 35 governing study committees adopted by the legislative
 36 council.

37 (d) The committee shall consist of the following
 38 members:

39 (1) The chairperson of the House Ways and
 40 Means committee.

41 (2) The chairperson of the Senate Finance
 42 committee.

43 (3) Three (3) members appointed by the
 44 Speaker of the House of Representatives from

1 the membership of the Ways and Means
2 committee, excluding the chairperson of the
3 Ways and Means committee. Not more than
4 two (2) members appointed under this
5 subdivision may be of the same political
6 party.

7 (4) Three (3) members appointed by the
8 President Pro Tempore of the Senate from the
9 membership of the Finance committee,
10 excluding the chairperson of the Finance
11 committee. Not more than two (2) members
12 appointed under this subdivision may be of
13 the same political party.

14 (e) The affirmative vote of a majority of the voting
15 members appointed to the committee are required for the
16 committee to take action on any measure, including final
17 reports.

18 (f) Notwithstanding any other provision of this
19 SECTION, the legislative council may assign the study
20 required under this SECTION to any other interim study
21 committee.

22 (g) This SECTION expires November 1, 2003.

23 SECTION 7. An emergency is declared for this act."
 (Reference is to HB 2005 as printed February 17, 2003.)

Representative SCHOLER